

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES)	
OF RADIO COMMUNICATIONS)	CASE NO. 7686
CORPORATION)	

O R D E R

On December 27, 1979, Radio Communications Corporation, (Applicant) filed its Notice with the Commission proposing to increase annual revenues by approximately \$88,700.

Radio Communications Corporation is engaged in certain sales and answering service activities not regulated by this Commission. However, Applicant is also active in the regulated business of providing one-way and two-way radio communication to the general public in and around Hazard, Harlan, Lexington and Frankfort, Kentucky. The rate application pertains only to the regulated portion of Radio Communications Corporation.

The Commission set a public hearing on this matter for February 14, 1980, and directed the Applicant to provide notice of such hearing as prescribed by Kentucky law and the rules and regulations of this Commission.

The hearing was held as scheduled in the Commission's offices at Frankfort, Kentucky, with one intervenor being present. The matter was then submitted to the Commission for final determination. All requested information has been submitted and made a part of the record.

OPINION AND FINDINGS

Test Period

The Commission, for the purpose of testing the reasonableness of the proposed rates, has adopted the twelve-month period ending September 30, 1979.

Revenues and Expenses

Applicant's Income Statement for the test period shows actual operating expenses of \$292,770, an operating income deficit of \$59,210 and a net income deficit of \$133,820. The Commission

finds two adjustments to Applicant's Income Statement are necessary. We have reduced expenses for salaries by \$8,346 to reflect only those salaries applicable to Applicant's regulated operations. Further, we have placed Interest Expense of \$5,202 below-the-line in accordance with the Uniform System of Accounts for Radiotelephone Utilities as prescribed by this Commission.

Summary

The Commission, after considering all evidence of record and being advised is of the opinion and FINDS:

(1) That the Applicant has experienced an operating deficit in the test period used in this case.

(2) That Applicant's proposed rates as set out in Appendix "A" attached hereto and made a part hereof will produce annual revenues in the amount of approximately \$324,200, an annual increase of \$88,700, and are the fair, just and reasonable rates for the Applicant.

(3) That, on a pro forma basis, Applicant will realize a net operating income of approximately \$62,100.

(4) That these rates are necessary and essential to allow the Applicant to improve its financial position.

IT IS THEREFORE ORDERED, that the rates sought by Radio Communications Corporation, as set out in Appendix "A" attached hereto and made a part hereof are fair, just and reasonable and are approved for service rendered on and after the date of this Order.


IT IS FURTHER ORDERED that Radio Communications Corporation shall file with this Commission within thirty (30) days from the date of this Order, its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 7th day of May, 1980.

UTILITY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE UTILITY REGULATORY COMMISSION IN CASE NO. 7686, DATED MAY 7, 1980.

SCHEDULE OF CHARGES

1. Air time usage:

a. Mobiles & Portables

- (1) Manual Service--100 one-minute calls \$40.00 per minute; 25¢ per minute on all calls after the 100 minutes have been used.
- (2) Automatic Service--100 one-minute calls \$30.00 per month; 20¢ per minute on all calls after the 100 minutes have been used.
- (3) Transient Users--\$2.50 minimum charge plus 40¢ per minute.

b. Paging--Unlimited number of tone and voice paging messages--\$15.00 per month.

c. Paging--Unlimited number of tone only pages - \$10.00 per month.

2. Equipment Rental Fees:

a. Mobile Automatic	\$45.00 per month
b. Mobile Manual	\$30.00 per month
c. Portable Units	\$30.00 per month
d. Paging Receivers--Tone & Voice	\$10.00 per month
e. Paging Receivers--Tone only	\$ 7.50 per month
f. Mobile & Portable available options:	
1. Tone Selective Calling	\$ 5.00 per month
2. Additional Channels, each	\$ 1.50 per month
3. Direct Dialing	\$ 5.00 per month

3. Maintenance Rates:

a. Mobile Automatic	\$10.00 per month
b. Mobile Manual	\$ 7.50 per month
c. Portable Units	\$10.00 per month
d. Pager Units	\$ 2.50 per month

4. Equipment Installation and Removal--

a. Mobiles Installation	\$65.00
b. Mobiles Removal	\$15.00

5. Special Charges & Taxes--

- a. For reconnection of service has been disconnected for non-payment of bills or for violation of the rules and regulations \$5.00

Taxes--all applicable taxes will be added to the listed charges.